

Applic. No. 10/042,236
Amdt. Dated Sept. 22, 2009
Reply to Examiner's Answer dated July 23, 2009

Amendments to the Drawings:

There are no amendments to the drawing figures.

REMARKS/ARGUMENTS

Claims 1-21 have been canceled from this application. New claims 22-25 have been added to this application.

The antecedent basis in the specification for the limitations described in the claims new independent claims appears in the designated paragraphs:

- electro-mechanical device [012], [032]
- means for transmitting electrical signals [024], [025]
- computer [028], [035]
- memory [024]
- payment blocking conditions [012], [013], [017], [027], [028], [034], [035].
- multiple treatments at the same time [014]
- denial at other claims for same time period [035]
- prior payment for other claims during same time period [35]
- making payments to practitioners [012], [028]

The New Ground of Rejection

The U.S. Patent and Trademark Office has rejected now canceled claims 1-21 under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

35 U.S.C. 132 Rationale

Because of the recent ruling of the U.S. Court of Appeals for the Federal Circuit, in In re Bilski 88USPQ2d 1385, the U.S. Patent and Trademark Office has effectively reverted to the prior case law regarding the patentability of software related inventions.

The U.S. Court of Appeals for the Federal Circuit in the In re Bilski case opined that to be patentable a claim must satisfy what has become known as "the machine or transformation" test. Accordingly, the foregoing new ground of rejection and the supporting comments opine that the invention described in the claims under appeal did not properly satisfy the machine or transformation test.

Response To The New Ground Of Rejection

The new claims describe an apparatus and method which satisfies the machine or transformation test as set forth in In re Bilski. Specifically, the description of the invention in the new claims begins with a mechanical input into an electro-mechanical device such as a card reader or a keyboard. This mechanical input is transformed into electrical signals. The electrical signals are then transmitted to a computer. The computer then uses the information to make comparisons to various conditions which block payment to the medical practitioners by an insurance provider. If no insurance payment blocking conditions are met, then the computer authorizes payment by the health care insurance provider to the practitioner for the medical treatment provided to a patient.

The closest analogy to the present invention is the rubber molding system described as being patentable in the Diamond v. Diehr case, 450 U.S. 175. Therein, repeated measurements of a physical condition, specifically temperature, are sent to a computer. The computer applied the measured temperature inputs to an algorithm (the Arrhenius equation) to calculate a time for proper curing of a molded rubber product. The calculated time was compared by the computer to actual time. When the calculated time matched the actual time, the computer sent a signal to the rubber mold

that the molded rubber product was properly cured. If the predetermined conditions were not met, the signal to the rubber mold was blocked.

Herein inputs regarding the physical activity of a medical practitioner on a patient are received. The inputs are compared to predetermined payment blocking conditions expressed as algorithm within a computer. If none of the predetermined payment blocking conditions are met, then the computer sends a signal authorizing payment to the practitioner for medical services provided. Thus, much like the computerized system described in the Diamond v. Diehr case controls the operation of a rubber mold, the computerized system described in the currently pending new claims control the issuance of payment to a practitioner for medical services rendered.

A closer look at the opinion of the CAFC in the In re Bilski case is instructive. Specifically, near the end of the opinion, the court addresses what is patentable about a computer-based invention which involves the electronic transformation of data; specifically the electronic transformation of data into a visual depiction. Herein the court opined that:

"So long as the claimed process is limited to a practical application of a fundamental principle to transform specific data, and the claim is limited to a visual depiction that represents physical objects or substances, there is no danger that the scope of the claim would wholly pre-empt all uses of the principle." 945 F.3d 963, 88 USPQ2d 1397.

In the pending patent application the invention has the practical application of causing compensation to be properly paid for medical treatments rendered. The data transformed into the compensation paid to the medical practitioner is the data representing medical treatment, when the medical treatment was performed, and the practitioner performing the medical treatment. The transformation of the data is into money to be paid to the practitioner. The transfer of money may be in many ways to

include an electronic funds transfer to the medical practitioner's bank account recorded on a computer screen or instructions to a printer to physically cut and send a check to the medical practitioner.

Thus, the invention described in the now pending claims would be patentable according to the opinion of the CAFC in In re Bilski.

Fortuitously, during the preparation of this paper, Mr. Andrew H. Hirschfeld, the Acting Deputy Commissioner for Patent Examination Policy of the United States Patent and Trademark Office, issued a Memorandum on August 24, 2009 entitled: **New Interim Patent Subject Matter Eligibility Examination Instructions**. Mr. Hirschfeld's Memorandum further confirms the patentability of the currently of the now pending claims. Applying the criteria expressed in Mr. Hirschfeld's memorandum to the new apparatus claims 22 and 23 as follows:

Q: Are the claims directed to a machine (apparatus)?

YES – the apparatus is a real thing which includes hard parts.

Q: Do the claims recite a judicial exception?

YES – the comparison step includes an algorithm resident within the computer

Q: Are the claims directed to a practical application?

YES – things do not get much more practical than receiving compensation for work properly done

Q: Are the claims directed to substantially all practical applications of the mathematical algorithm?

NO -- the claims are limited to paying a practitioner performing medical services for medical services properly provided.

Accordingly, Claims 22 and 23 are eligible for patent protection.

Turning now to the new method claims, Claims 24 and 25, to apply the criteria set forth in Mr. Hirschfeld's Memorandum, as follows:

Q: Is there a particular machine?

YES – the step of testing the data regarding the medical treatment provided requires the use a particularly programmed computer having access to a memory holding a data base of information allowing the data describing the medical treatment to be analyzed for inclusion of information indicating that payment to the practitioner for medical services provided would be improper.

Q: Does the machine impose a meaningful limit and is it more than an insignificant extra-solution activity?

YES – the step of comparing the information regarding the medical treatment provided to a patient by a practitioner is central to the method invented by the applicant and the method is not a mere field-of-use or insignificant extra-solution activity.

Thus, method claims 24 and 25 are eligible for patent protection as describing patentable subject matter.

Comment On Previous Obviousness Rejection

Throughout the prosecution history file and more particularly in the Examiner's Answer of July 23, 2009, the U.S. Patent and Trademark Office has opined that the invention described in the pending claims has been rendered obvious by several prior art references and an Official Notice of the Examiner.

Specifically, U.S. Patent No. 6,343,271 to Peterson et al. is cited for its teaching of a system for reviewing medical treatment claims provided by a plurality of medical practitioners to a plurality of insurance entities for the determination of the

appropriateness of the medical treatment claims. More particularly, it is opined that the Peterson et al. '271 reference teaches:

a clearing house for receiving information from the plurality of medical practitioners regarding claims for treatment provided to be paid by one or more of the plurality of insurance entities;

said clearing house being provided with software to determine the appropriateness of each of the claims submitted by each of the plurality of medical practitioners;

said clearing house communicating with the plurality of insurance entities and the plurality of medical practitioners regarding the appropriateness of each of the claims – and if not appropriate, the claim will be manually adjudicated as opposed to being automatically adjudicated.

Further, it is opined that in comparison to the invention disclosed in the pending application, the Peterson '271 reference does not teach software at the clearing house which determines the appropriateness of the claims submitted by the medical practitioners which evaluates whether one or more of the medical practitioners has submitted more than one disparate treatment for a single treatment period of time on a single day.

To fill the acknowledged shortfall of the Peterson '271 reference, U.S. Patent No. 5,359,509 to Little et al. is cited for the teaching of software for determining the appropriateness of each of the claims for treatment provided by a medical practitioner based on whether one of the medical practitioners has submitted more than one disparate treatment claim for a single treatment period of time on a single day.

However, it is acknowledged that even the combination of the Peterson et al. '271 reference with the Little et al. '509 reference still falls short in comparison to the invention described in the previously pending claims as the combination does not disclose determining the appropriateness of a claim for treatment provided by a medical practitioner based on whether one of the medical practitioners has submitted more than one disparate claim for a single block or treatment time on a single day.

To fill the acknowledged shortfall of the combination of the Peterson et al. '271 reference with the Little et al. '509 reference in comparison to the invention described in the previously pending claims, the article by Kenneth Kienle entitled "Clamping Down on Code Creep" is used for its disclosure of determining the appropriateness of claims submitted by medical practitioners for treatment provided based on whether one of the practitioners has submitted more than one disparate treatment claim for a single block of time on a single day.

However, it is still further acknowledged that the combination of the Peterson et al. '217 reference with the Little et al. '509 reference and the article by Kenneth Kienle still falls short of the invention described in the previously pending claims by not picking up the situation where more than one patient is reported as being treated during a single period of time on a single day.

To fill the acknowledged gap in the combination of the Peterson et al. '217 reference, the Little et al. '509 reference together with the article by Kenneth Kienle, Official Notice is then taken that it is well known in the claims fraud detection arts to flag multiple claims submitted for more than one patient treated during a single period of time on a single day by a single medical practitioner.

In the new claims 22-25 the time related aspect of the payment blocking criteria now includes criteria not described in the Peterson et al. '271 reference, the Little et al. '509 reference and the article by Kenneth Kienle. Specifically, the payment blocking criteria now includes:

- blocking payment if other claims for medical treatments provided by an individual medical practitioner during the same time period have been denied; and

- blocking payment if prior payments have been made for medical treatments performed during the same period by an individual practitioner.

The antecedent basis for the foregoing limitations appears in paragraph [035] of the specification.

As the foregoing criteria are not described in the set of prior art references cited against the previously pending claims, the new claims describe allowable subject matter.

CLOSING

The re-crafting of the pending claims now describes an invention which In re Bilski describes as being patentable. Specifically, the new claims describe an invention in a manner much closer to the invention found to be allowable in the Diamond v. Diehr case.

Applicant respectfully requests that upon examination of the claims by the Examiner a timely Notice of Allowance be issued in this case.

Respectfully submitted,

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